



LINCOLN CHAFEE

U.S. SENATOR

RHODE ISLAND

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CHAFEE HAILS PASSAGE OF DR-CAFTA

WASHINGTON, D.C. – U.S. Senator Lincoln Chafee released the following statement after supporting the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA) last night. The measure passed by a vote of 55-45.

“I believe that the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA) is an important step in the right direction of promoting trade and with engaging our neighbors in Latin America. Therefore, I support this trade agreement.

As a senior member of the Senate Committee on Foreign Relations subcommittee on Western Hemisphere, I believe we need to do more to promote and support the many fledgling democracies that have taken root after decades of military and authoritarian rule. Enactment of this trade agreement is an important part of being more engaged in this region, and is an effective tool for maintaining the economic and security interests of both the United States and the DR-CAFTA countries - Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.

Today, most imports from these countries enter the United States duty-free, but U.S. exports to the region face substantial tariffs. Upon enactment of DR-CAFTA, 80 percent of U.S. consumer and industrial goods exports to these countries will be immediately duty-free, with the remaining 20 percent becoming duty-free over 10 years.

From 2000 to 2004, exports from Rhode Island to the DR-CAFTA countries increased by 231 percent. Enactment of the trade agreement will help create and protect U.S. jobs, and directly benefit Rhode Island businesses seeking to export more to the region. Furthermore, DR-CAFTA will keep America competitive with China by creating incentives for factories to stay in region and use American materials rather than relocate to Asia where they are more likely to use Asian materials.

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In Rhode Island we have a hard-working and competent labor force, a strong entrepreneurial spirit, first-rate educational institutions, and effective political, societal and economic leadership. I believe that the way forward is to give Rhode Island exporters better access to world markets. Thus, I gave my full support to the trade agreement. Upon President Bush signing it into law, I look forward to working with Rhode Island businesses, investors, and citizens to increase our exports and interaction with this growing market.”

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